

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

IN RE:	§	
	§	CASE NO. 16-10398-HCM
CLEANFUEL USA, INC.	§	
	§	CHAPTER 11
DEBTOR	§	

**DEBTOR’S FIRST AMENDED MOTION FOR AUTHORITY TO OBTAIN POST-  
PETITION FINANCING PURSUANT TO 11 U.S.C. §364(c)(1)**

TO THE HONORABLE U.S. BANKRUPTCY JUDGE:

NOW COMES, CleanFUEL USA, Inc. (“Debtor” or “CFUSA”) to file this Debtor’s First Amended Motion for Authority to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §364(c)(1) (the “First Amended Motion for DIP Financing”) and would show the Court as follows:

1. CFUSA filed for relief under Chapter 11 of the United State Bankruptcy Code on April 3, 2016. CFUSA is operating as a debtor-in-possession pursuant to 11 U.S.C. §§1107 and 1108.
2. This Court has jurisdiction over this matter under 28 U.S.C. §1334. This is a core matter pursuant to 28 U.S.C. §157(b)(2)(M).
3. On April 6, 2016, CFUSA filed Debtor’s Motion for Authority to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §364(c)(1) (the “Motion for DIP Financing”). Attached to the Motion for DIP Financing as Exhibit “A” is a 30-day proposed operating budget for the month of April, 2016, which indicated an operating short fall of approximately \$245,000.00 for the month. The Motion for DIP Financing requested authority for CFUSA to obtain post-petition financing in the amount of \$250,000.00 from the Ed Rachal Foundation (the “Foundation”) and

to grant the Foundation an administrative claim for the amount advanced with priority over all other the administrative claims pursuant to §364(c)(1).

4. On April 7, 2016, the Court conducted a hearing on the Motion for DIP Financing. On April 13, 2016, the Court signed and docketed an interim order on the Motion for Authority to Obtain Post-Petition Financing Pursuant to 11 USC §364(c)(1) (Doc #27) (the “Interim DIP Financing Order”). The Interim DIP Financing Order authorized CFUSA to borrow \$250,000.00 from the Foundation, and the Foundation was granted a priority administrative claim for the \$250,000.00 advanced. The Court also set a final hearing for May 2, 2016 at 1:30 p.m. and ordered that CFUSA file a proposed final budget and final order by April 27, 2016 at 5 p.m., with objections to said proposed final budget and order to be filed by April 29, 2016 at 5 p.m.

5. Pursuant to the Interim DIP Financing Order, CFUSA has filed this First Amended Motion for DIP Financing. Attached hereto as Exhibit “A” is CFUSA’s proposed budget covering the period from the week ending April 16, 2016 through the week ending December 16, 2016. To cash flow operations during the budget period, CFUSA requires additional DIP financing of \$1,200,000.00. With this additional DIP financing, CFUSA estimates that cumulative net cash will increase to approximately \$2,400,000.00 (being \$950,000.00 in excess of the total DIP financing).

6. The Foundation has agreed to provide the additional DIP financing on the same terms as it provided the interim DIP Financing of \$250,000.00 as follows:

a) subject to the Foundation being granted an administrative claim for the total amount financed with priority over any and all other administrative claims pursuant to §364(c)(1),

including any expense incurred or amounts payable to the chapter 7 trustee or costs of liquidation in the event this case is converted to a chapter 7 case;

- b) with the amount advanced being due and payable upon the earlier to occur of
  - i) confirmation of a chapter 11 plan,
  - ii) the date this case is converted to a chapter 7 case or is dismissed, *and*
  - iii) 9 calendar months from the date the total approved amount is advanced to CFUSA;
- c) with interest to accrue at 8% per annum which shall be due at maturity; and
- d) with CFUSA being responsible for the payment of the Foundation attorneys fees for preparation of DIP financing documents, not to exceed \$10,000.00 which shall be advanced at the time the DIP financing is approved by final order.

WHEREFORE, PREMISES CONSIDERED, CFUSA requests a final order approving DIP financing of \$1,450,000.00 (inclusive of the \$250,000.00 approved by the Interim DIP Financing Order) pursuant the terms set out in this First Amended Motion for DIP Financing. CFUSA also requests much other and further relief as it may show itself justly entitled.

Respectfully submitted,

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PROPOSED COUNSEL FOR CLEANFUEL USA, INC.

**CERTIFICATE OF SERVICE**

By my signature below, I hereby certify that on the 27th day of April, 2016, a true and correct copy of the foregoing document was served upon the parties on the attached service list via electronic means as listed on the Court's ECF noticing system or by regular first class mail, postage prepaid.

/s/ C. Daniel Roberts  
C. Daniel Roberts

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Starting Cash at 4/3/2016	7,215									7,215
DIP financing - Initial	250,000									250,000
DIP financing - Additional		600,000	600,000							1,200,000
<b>Cash receipts</b>										
	472,923	626,056	800,620	2,024,307	2,821,026	1,903,759	1,891,465	1,953,415	1,267,286	13,760,857
Subtotal	730,138	1,226,056	1,400,620	2,024,307	2,821,026	1,903,759	1,891,465	1,953,415	1,267,286	15,218,072
<b>Cost of Goods Sold</b>										
Primary Material Providers (COD)	306,510	436,383	895,708	1,524,077	1,209,322	1,203,658	1,168,298	845,969	547,445	8,137,370
Shipping		10,000	11,000	12,500	12,500	12,500	11,000	11,000	11,000	91,500
Payments to Prepetition Critical Vendors		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	400,000
Subtotal	306,510	496,383	956,708	1,586,577	1,271,822	1,266,158	1,229,298	906,969	608,445	8,628,870
Gross Margin	423,628	729,673	443,912	437,730	1,549,203	637,601	662,167	1,046,446	658,841	6,589,202
<b>Operations</b>										
Payroll	260,000	262,750	275,000	275,000	275,000	417,500	275,000	275,000	275,000	2,590,250
Certifications	54,900	245,000	160,000	85,000					117,000	661,900
Marketing	5,500	3,167	667	1,467	667	1,667	667	667	667	15,133
Travel & Sales Costs	9,341	26,288	26,247	28,022	23,178	19,847	22,697	22,883	19,247	197,748
Service & Warranty	20,030	10,000	10,000	10,000	11,500	11,500	11,500	11,500	11,500	107,530
Trustee & Misc Expenses		5,000	5,000	4,875	5,000	5,000	4,875	5,000	5,000	39,750
Insurance	11,385	10,728	16,420	16,420	16,420	16,420	16,420	16,420	16,420	137,052
Office Leases	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	14,832
Office Supplies/Expenses	5,500	6,618	5,143	5,143	10,643	5,143	5,143	5,143	5,143	53,622
Rent		10,200	10,200	10,200	10,200	22,200	10,500	10,500	10,500	94,500
Research & Development	10,000	10,000	10,000	10,000	60,000	12,500	12,500	12,500	12,500	150,000
Temp Labor	2,716	-	-	-	-	-	-	-	-	2,716
Telephone & Utilities	13,294	13,294	13,294	13,294	13,294	13,294	13,294	13,294	13,294	119,646
	394,314	604,692	533,619	461,069	427,550	526,719	374,244	374,555	487,919	4,184,679
Monthly net cash increase (decrease)	29,314	124,981	(89,707)	(23,339)	1,121,654	110,882	287,924	671,891	170,922	
Cumulative	29,314	154,295	64,588	41,249	1,162,903	1,273,785	1,561,709	2,233,600	2,404,523	2,404,523

**EXHIBIT**  
**A**

Oklahoma Dept of Revenue  
P.O. Box 269060  
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9060

Louisiana Dept of Revenue  
P.O. Box 201  
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